

## ABOUT THE BOOK

This book contains fifteen case studies that document some of the experiences in the management of artistic enterprises and endeavors in the country. A variety of arts and culture organizations is included, from a restaurant cum gallery to a dance company. All cases were written and classroom-tested by the U.P. College of Business Administration faculty and reviewed by its senior faculty.

The cases are organized according to the ten modules designed for the Arts and Culture Management Course of the Institute of Culture and the Arts (ICAM). Aside from the artist-managers and executive directors of arts organizations, business students may also benefit by learning management concepts in the context of arts and culture organizations, thereby promoting arts appreciation.

The editor acknowledges the support of the National Commission for Culture and the Arts and Dr. Jaime C. Laya, its former Chairman of the Board, who initiated the case writing project.

## ABOUT THE EDITOR

Ben Paul B. Gutierrez is Associate Professor in Marketing and Chair of the Department of Business Administration, College of Business Administration, U.P. Diliman. He teaches marketing courses in both the undergraduate and graduate levels. Before joining academe in 1998, he was almost ten years packaging specialist for two multinational corporations with strong marketing orientation: Colgate-Palmolive Philippines, Inc. and Aven Philippines Manufacturing, Inc.

Gutierrez has a D.B.A. from Victoria University of Technology, Melbourne, Australia. He was a recipient of the Australian Development Cooperation Scholarship from AusAID and a sessional lecturer of Victoria University.

His research interest concerns the study of consumer behavior and market environment as they affect the development of marketing strategies. He provides training and consultancy in marketing to various organizations, and is currently a member of the Academy of Marketing Science and Philippine Marketing Association, Inc.

ISBN 971-542-340-X

POWERBOOKS

CASES OF ARTS A

176



BEN PAUL B. GUTIERREZ  
CASES ON ARTS AND CULTURE MANAGEMENT



NX

770

P6

C37

2003

TING

BEN PAUL B. GUTIERREZ  
EDITOR

CASES ON  
ARTS AND CULTURE  
MANAGEMENT  
IN THE  
PHILIPPINE  
SETTING



## Case Writers

Ben Paul B. Gutierrez

Vivien T. Supangco

Manuel Jose C. Dioquino Jr.

Ma. Gloria V. Talavera

Arturo Benedicto M. Ilano

Jessica A. Los Baños

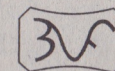
Ma. Cecilia L. Guantes

Joselito G. Florendo

## Cases on Arts and Culture Management in the Philippine Setting

Ben Paul B. Gutierrez

*Editor*



The University of the Philippines Press  
Diliman, Quezon City  
2003

In cooperation with the National Commission for Culture and the Arts





376306

THE UNIVERSITY OF THE PHILIPPINES PRESS  
 E. de los Santos St., U.P. Campus, Diliman, Quezon City 1101  
 Tel. No.: 9253243 / Telefax No.: 9282558  
 e-mail: press@up.edu.ph

© 2003 by Ben Paul B. Gutierrez

All rights reserved.

No copies can be made in part or in whole without prior  
 written permission from the author and the publisher.

In cooperation with the National Commission for Culture and the Arts

Book Design by Veni L. Ilowa  
 Titles and headers set in Ottawa, body text in AGaramond

ISBN 971-542-340-X

Printed in the Philippines

(F)  
 NX  
 770  
 P6  
 C37  
 2003

## Contents

	Foreword		vii
	Preface		ix
	Case Planning Guide		xi
	Cases		1-175
Case Number	Case Title	Module	Page
1	MCO Foundation, Inc.	Concept creation, development	1
2	Ballet Philippines	Planning	8
3	E-mail Conversations with Keith and Sari	Planning	18
4	The Music Isn't Free	Planning	27
5	Quezon City Performing Arts Development Project (A)	Human resources management	56
6	Quezon City Performing Arts Development Project (B)	Human resources management	61



Case Number	Case Title	Module	Page
7	Galeria Milano	Marketing	66
8	The National Museum	Marketing	73
9	Repertory Philippines Foundation, Inc.	Sponsorship	87
10	Cultural Center of the Philippines (A)	Management control	103
11	Cultural Center of the Philippines (B)	Management control	118
12	Ang Pangalan Ko'y Urduja	Legal and risk management	127
13	Kalibo Ati-Atihan Festival	Logistics management	140
14	The Philippine Youth Orchestra on Tour	Implementation	159
15	My Mom, the Camp Director	Evaluation	164

## Foreword

It is often said that artists rely mainly on their creative imagination to do their work and have little patience for such mundane aspects as finance and administration.

But when artistic work is carried beyond the level of one individual and requires the combination and coordination of various resources to create artistic productions, the skills of management, and not solely artistic imagination, become an increasingly important element in the success of these endeavors.

This book contains case studies which document some of the experiences in the management of artistic enterprises and endeavors in this country. Written by faculty members of the College of Business Administration, University of the Philippines, these cases are aimed at developing the analytical and problem solving skills of persons who manage the increasingly complex and challenging artistic and cultural endeavors of contemporary times.

We are grateful to Dr. Jaime C. Laya, former Chairman of the Board of the National Commission for Culture and the Arts, for initiating and supporting this project.

Erlinda S. Echanis  
Dean

College of Business Administration  
University of the Philippines Diliman



## Ballet Philippines

Ballet Philippines, based at the Cultural Center of the Philippines, began as the Alice Reyes Dance Company in 1969. The case describes the activities undertaken to fulfill its mission. Given these, the student is now tasked with developing and/or institutionalizing an integrated organizational strategy for an artistic company.

Author:	Arturo Benedicto M. Ilano
Discipline:	Strategic management
Industry:	Performing arts—dance company
Issues:	Organizational strategy, performance evaluation, human resources management, fund-raising
Setting:	Philippines, 2002
Level of Difficulty:	Undergraduate/MBA
Case Number:	7-2002-37
Teaching Note:	7-2002-37T

\*Prepared by Arturo Benedicto M. Ilano, Assistant Professor, University of the Philippines, as a basis for class discussion. The case is not designed to illustrate effective or ineffective handling of managerial situations. The National Commission for Culture and the Arts supported the writing of this case study.

### History

Ballet Philippines began as the Alice Reyes Dance Company. In 1969, Alice Reyes, who had intensive training in dance in the United States under various scholarships, saw the opening ceremonies of the then-new Cultural Center of the Philippines (CCP), which featured lavish presentations and ballet performances. As a scholar of the Music Promotions Foundation of the Philippines, she decided that she wanted to share her knowledge and thus, she proposed to put up a dance concert. The officers of the CCP, Jaime Zobel, president, and Lucrecia Kasilag, artistic director, accepted her proposal. Consequently, the Alice Reyes Modern Dance Concert was held in February 1970.

This promising beginning led Alice to organize the CCP Summer Dance Workshop in a vacant area at the CCP basement, culminating in



the 1st Summer Dance and Music Workshop Concert that was held in June 1970, with 30 participants. Soon, these pioneers were doing a season of 3 concerts, which led them to eventually decide to put up their own dance company.

The Alice Reyes Dance Company was soon organized, along with the CCP Summer Dance Workshop and the CCP Dance School. In 1974, the CCP Dance Foundation was organized to provide financial and organizational assistance for the company, the name of which was changed to the CCP Dance Company. Early funding for the company, the first resident dance company of the CCP, was provided by BANCOR Development Corporation. By 1977, the foundation was incorporated and eventually became the Ballet Philippines Foundation, Inc. (Exhibit 1).

### Performances

The dance company went on its first international tour in 1972, performing to rave reviews in England and Spain. It was hailed as "an unusual and stimulating combination of American modern dance and ancient Philippine traditions" by Fernau Hall of the *London Daily Telegraph*.

In 1974, the company toured Australia, including performances at the Sydney Opera House. Again it was met with rave reviews.

Over the next several years, more international tours followed, with performances in West Germany, Thailand, Malaysia, USA, France, Italy, USSR, Hong Kong, China and Japan, among others. The positive reviews kept coming. The West German paper *SCALA* noted, "the exotic, unusually temperamental character of Philippine ballet was a great success with the German audience." And from *The Standard* of Hong Kong: "The dancers are neat, slick and professional, the *choreography* is consistently superb, the lighting effects a treat, and the costumes are out of this world ... Anyone who likes to watch good dancing should make sure not to miss it" (Exhibit 2).



### Programs

Annual seasons for Ballet Philippines run from August to March, and are presented at the Main Theater of the CCP. Seasons have been presented consistently and without fail. During off seasons (May to July), the company





performs its outreach programs, which may be performed at local or at international venues.

Programs are varied, and include classics such as *Swan Lake*, *Giselle* and *Sleeping Beauty*, as well as Filipino works such as *Ang Sultan* and *Encantada*. Contemporary pieces and Filipino dance musicals are also featured.

Because of this, the programming caters not only to dance connoisseurs, but also to ordinary students, families

and even tourists.

With a repertoire of over 250 works, Ballet Philippines' programming is yet to be matched in Southeast Asia.

### Subscriptions

Ballet Philippines offers subscription packages or sponsorships each season (Exhibit 3). There are two kinds of subscriptions:

- 1) The VIP Circle—Subscription rate set at P2,500.00.

Subscribers to the VIP Circle are entitled to a VIP seat for each performance within the season subscribed to. Other benefits include access to regular rehearsals and technical dress rehearsals, as well as free one-month dance classes at the CCP Dance School during the regular school year.

During its 31st concert season in 2000, there were 56 VIP Circle subscribers, while there were 91 VIP Circle subscribers during the 30th concert season in 1999.

- 2) The Family Circle—Subscription rate set at P2,000.00

Subscribers to the Family Circle are entitled to special seats for one adult and one child per production during Saturday Matinees. Other benefits include a free educational lecture demonstration on the ballet before the show.

During the 31st concert season, there were 78 Family Circle subscribers, while there were 56 subscribers during the previous season.

Aside from the season benefactors, Ballet Philippines also receives funding from "Golden Benefactors" whose financial support helps subsidize the training and performances of the dance artists through what are known as Salary Grants.

There were 11 Golden Benefactors during the 31st concert season, and 10 during the previous season. During the 28th concert season (1997), there were 20 Golden Benefactors.

### Other Fund-raising Activities

It is common knowledge that one has to come from a wealthy family in order to consider taking up ballet. This is because it is a discipline that is a "labor of love" for the art: one does not get rich performing ballet. In fact, the expenses involved in being a performer can be quite formidable, while income is negligible.

Because of this, a number of fund-raising activities have been developed with the hope of subsidizing some of the expenses incurred by the performers as well as promising future performers.

#### *The SOS Fund Drive (Save Our Scholars)*

Ballet Philippines established this fund to support the regular training of 25 scholars. The fund requires about P300,000 per year and includes a year-round schedule of technique classes in classical and modern dance, season performances with the company and evaluation performances with the CCP Dance School. Aside from these, there is also an intensive training in dance techniques and related courses during a five-week Summer Dance Workshop.

Principal Sponsors donate P50,000 or more; Corporate Donors, P10,000 and above; Regular Sponsors, P5,000 or more; Patrons, P3,000 or more; Sustainers, P2,000 and above; and Friends, P1,000 or more.

#### *The Toe Shoe Fund*

Toe Shoes, the shoes that are used by ballerinas, are expensive. These shoes are specially constructed satin slippers with a "box" around the toe area to allow the dancer to stand on his or her toes. The price of these can range from P2,000 to P4,000 a pair. And a professional dancer can wear out a pair in as little as a week!

Dancers do what they can to prolong the life of these toe shoes (applying lacquer to the soles, restitching, etc.), but new pairs inevitably have to be bought.



During its 32nd season in 2002, Ballet Philippines came up with the novel idea of soliciting support specifically for the purchase of toe shoes for its performers. Sponsors can donate P2,500 (for a pair of shoes), or even just donate for “one foot” for P1,250.

### The Artists

Ballet Philippines has a stable of regular performers, as well as apprentices. Apprentices are selected from the best students of the CCP Dance School.

Compensation is token at best, which is why being a performer is said to be a labor of love. Salaries range from P6,000 to P8,000 a month. Additional allowances are given for outreach tours which, however, generally happen only once a year, if at all.

Turnover, however, can be quite high because: (1) some dancers are hired by foreign dance companies that offer high compensation, or (2) others move out to start their own dance schools or become private dance instructors.

According to insiders, the lack of a “promotions” program that rewards seasoned dancers also serves as a disincentive for the performers. In terms of positions, there can be only one prima ballerina, for instance (see Exhibit 4). And there can be only one artistic director, which is the equivalent of the chief creative director for the company. Thus, the only other recourse for rewarding all the other dancers is by providing additional compensation. However, as insiders lament, since the Philippines has yet to appreciate the art of dance as highly as other countries, there is scarce funding and support for providing higher compensation.

### The Institution's Main Concerns

In the Philippine cultural environment, where interest in ballet is limited to a very small sector of society, there is sadly little motivation and compensation to be provided for ballet performers. On the other hand, a growing interest in ballet as an extra-curricular activity for children has helped make for a steady growth in the number of ballet schools in the country. The increasing number of ballet schools is a double-edged sword. While it allows for a regular stream of students who enroll at the CCP Dance School, it, at the same time, acts as a magnet for many of Ballet Philippines' performers to set up their own schools or teach in them in search of a better income. This leads to the question of whether or not Ballet Philippines should prioritize an increase in its salary scales. The issue of compensation is made more pressing considering that due to the depressed economic situation beginning 1997,

the real value of the performers' pay has gone down. It is therefore expected that the turnover problem shall become even more worrisome in the near future.

But revenue generation has also been a problem. According to the administrative director, Ballet Philippines simply does not have sufficient funds to allow for a higher compensation scheme. Ticket sales are negligible. Occasional performances that are graced by foreign artists (such as the Kirov Ballet of Russia, for instance) may generate interest from the paying public but, on the whole, the audience for a typical ballet production is predominantly composed of people who are close to the performers, most of whom hold complimentary tickets.

Meanwhile, the numbers of patrons and sponsors have been dwindling over the years as companies re-channel their promotional budgets due to dire economic conditions.

### Study Questions

- 1) Is the high turnover a problem for Ballet Philippines, or can it be considered a “fact of life” that the institution will just have to live with? Depending on your answer, develop strategies in order to (a) reduce turnover, or (b) ensure that the institution will still have consistent artistic performance even in the face of high turnover.
- 2) Is it possible to transform Ballet Philippines into a financially sustainable organization? Along with your strategies above, develop a strategic plan that may pave the way towards making this a reality.

### Sources

*Ballet Philippines: Twenty Years of Dance* by Lita Torralba Logarta

Pictures from the Ballet Philippines website (<http://www.ballet.com.ph/>)

### Interviews



2. Lower billing in an "every opening night" ad at the Lifestyle Section of the *Manila Bulletin* (Print ad size: 5 col by 30 cm – black and white)
3. One-half inside page advertisement in the souvenir program.
4. One product or company streamer to be displayed at the lobby of the William J. Shaw Theatre for the duration of the show (Size: 1 x 2 meters; vertical dimension).
5. Complimentary tickets: Maximum of 10 orchestra tickets.

## Cultural Center of the Philippines (A)

The Cultural Center of the Philippines (CCP) is a center for the performing arts, focusing on the development of theater, dance, music, and production design. The case is intended to generate discussion on the requirements of a planning and control system and its uses in running a complex organization such as CCP.

Author:	Ma. Cecilia L. Guantes
Discipline:	Management control
Industry:	Performing arts company
Issues:	Budgeting and control systems, performance evaluation, SWOT (Strength, Weaknesses, Opportunities & Threats) analysis
Setting:	Philippines, 2003
Level of Difficulty:	Undergraduate/MBA
Case Number:	1-2002-24
Teaching Note:	1-2002-24T

\*Prepared by Ma. Cecilia L. Guantes, Assistant Professor, University of the Philippines, as a basis for class discussion. The case is not designed to illustrate effective or ineffective handling of managerial situations. Facts and figures have been modified to bring out planning and control issues. The National Commission for Culture and the Arts supported the writing of this case study.

### Facilities and Resident Companies

The Cultural Center of the Philippines' (CCP) facilities include several buildings along the Manila Bay and in Los Baños, Laguna. Along Manila Bay, there is the CCP Main Building, the Folk Arts Theater, the Manila Film Center, and the Production Design Building. The CCP also owns 13 hectares of mountain land in Mt. Makiling where the National Arts Center and the Philippine High School for the Arts are located.

The CCP Main Building is the site of three major venues for the performing arts that boast of up-to-date sound and lighting facilities—the Tanghalang Nicanor Abelardo (Main Theater); Tanghalang Aurelio V. Alentado (Little Theater), and Tanghalang Huseng Batute (Studio Theater). The CCP Main Building also houses four galleries with varying sizes and purposes, namely: Bulwagang Juan Luna (Main Gallery); Tanghalang Fernando Amorsolo (Small Gallery), Pasilyo Victorio Edades



(Museum Hallway), and Pasilyo Guillermo Tolentino (Little Theater Lobby).

The CCP Complex also includes the Folk Arts Theater (FAT) or the Tanghalang Francisco Balagtas, which also serves as a venue for the performing arts. FAT can accommodate a total of 8,558 people. CCP rents out these facilities to interested parties (Exhibit 1).

Apart from providing venues for performances and exhibits, the CCP also has a production design center that offers consultancy services on scenery, props, and costume pattern making. The center can also be used as a venue for scenery/props construction and painting, and for pictorial or video taping sessions. It also has a collection of over 100,000 costumes that are available for rent. Workshops such as Basic Theater Lighting, Basic Set Design, Theater Lighting Designs and Techniques are also offered by the center.

Aside from its physical structures, the CCP is also the home of eight performing groups, three for music, one for theater, and four for dance. The CCP, through its residency program, has institutionalized support for the Philippine Philharmonic Orchestra, Philippine Madrigal Singers, UST Symphony Orchestra, Ballet Philippines, Bayanihan Philippine Dance Company, Philippine Ballet Theater, Ramon Obusan Folkloric Group, and Tanghalang Pilipino.

Outside of Metro Manila, the CCP also owns the National Arts Center, which was built in 1976. It is located in Mt. Makiling, Los Baños, Laguna with the following structures:

- Philippine High School for the Arts, a government school for artistically gifted children;
- Pugas Adarna (Executive House) – with 9 air-conditioned rooms, can be rented at P750.00 per head per day, can accommodate a total of 33 people;
- Bulwagang Sarimanok (Clubhouse) – with a function hall (can accommodate 300 people) can be rented for P5,500.00 per day, and dormitories (can accommodate 40 people) at P330.00 per head per day;
- Pook Aliguyon (Marvilla Cottages) – has 12 cottages (total capacity is 89 people, P300 per head per day if there are 30 or more people, P330 per head per day if there are less than 30 people);
- Tanghalang Maria Makiling (NAC Open-Air Theater) – can be rented for P4,000 per day; and
- Open-air chapel – P1,500.

## History

The Cultural Center of the Philippines started as a pet project of former First Lady Imelda R. Marcos. As early as September 1965, she verbalized her dream of building a national theater in a proclamation rally in Cebu City. In an interview with writer Alice Coseteng, Mrs. Marcos said that she would have two principal projects—an integrated social welfare program to improve the people's well-being and the construction of a cultural center "to develop the Filipino soul," which she opined, was "just essential to nation-building." She envisioned the cultural center as *a showcase of Filipino artistic expression and a landmark of national architectural beauty*.

People, however, considered it a very ambitious project. The Philippines, after all, is just a developing country where funding for this type of endeavor is scarcer compared to more developed countries.

Even before her husband's assumption of the presidency, however, she had already organized the first fundraiser—a premier stage presentation of the *Flower Drum Song*. With this campaign, she was able to raise half a million pesos.

After the presentation, the first organizational meeting was held in Malacañang. Present were Leandro V. Locsin, noted architect; I.P. Soliongco, noted journalist; Juan Ponce-Enrile (JPE), then Secretary of Justice; Estefania Aldaba-Lim, international woman fighter for human rights; and Lourdes S. Villacorta. An ad hoc advisory committee was also organized later composed of noted writers, artists, historians, etc., such as Lamberto Avellana, playwright and director; Lucrecia Kasilag, composer, musician and dean of the College of Music of the Philippine Women's University; Leandro Locsin; Galo Ocampo, painter and former director of the National Museum; Serafin Quiason, academician and director of the National Library; Estefania Aldaba-Lim; Ileana Maramag, writer; Alfredo Roces, artist and columnist; Sebastian Santiago of the Presidential Economic Staff; Virginia Velasquez and Lourdes Villacorta.

Almost simultaneously, the site of the new structure had been chosen—21 hectares of reclaimed land by the edge of Manila Bay. This was formally recognized in Presidential Proclamation No. 20 of March 12, 1966.

By virtue of P.D. 69, CCP would be entitled to five percent of the amusement tax and 50 percent of the tobacco inspection fees (Exhibit 2) to which funds would be available to CCP.

Financial pledges from potential donors, composed mostly of private voluntary groups, also started to pour in. The Board of Trustees was also organized. Aside from Mrs. Marcos, the following were appointed:



Executive Order No. 30<sup>1</sup>: Fr. Horacio de la Costa, Jesuit scholar and historian; JPE; Antonio Madrigal, businessman and industrialist; Ernesto Rufino, business and civic leader; I.P. Soliongco; and Andres Soriano, Jr., business tycoon. At their first meeting, the Trustees elected Mrs. Marcos chairwoman, Mr. Madrigal, treasurer and Mr. Rufino, his assistant.

During its construction, monetary and non-monetary donations were received. For instance, Dr. Vidal Tan, representing the Philippine-American Cultural Foundation, turned over the P100,000 raised for a national theater that did not push through. A Japanese philanthropist and several cement companies also donated cement bags. The largest donation came from the American government, which allocated \$3.5 million of the Special Education Fund to the CCP.

However, despite these fundraising activities and donations, the funds raised still fell short of the estimated cost of the project, which was over P40 million. To augment these funds, the Board of Trustees had to borrow \$7 million from abroad, backed by a guarantee from the National Investment Development Corporation.

Through the years, the CCP has been a witness to exhibits, musical, dance, and drama presentations, both by local and foreign artists, from *Dulurawan*, an epic musical drama which served as CCP's opening salvo to presentations by foreign artists such as American pianist Van Cliburn, French mimic, Marcel Marceau, London Philharmonic Orchestra, Vienna Boys Choir and local artists/companies such as the Repertory Philippines, Madrigal Singers, Philippine Philharmonic Orchestra, and Cecile Licad.

The CCP has also undergone several changes in its rationale. It started mainly as a center for the performing arts. Its principal rationale then was to provide a "physical home for the preservation, promotion and development of Philippine art and culture." After the 1986 EDSA revolution, however, the government changed its role to that of being the national coordinating center for arts and culture.

After the creation of the National Commission for Culture and the Arts (NCCA), however, the CCP underwent still another change. Since the NCCA would now serve as the national coordinating center for culture and the arts, the CCP redefined its role in society, which is to be a center for the performing arts. It will now focus on the development of theater, dance, music, and production design.

<sup>1</sup> The same executive order created the Cultural Center of the Philippines "trust for the benefit of the Filipino people, for the purpose of preserving and promoting Philippine culture in all its varied aspects."

With its vision of being the center for arts and culture for Asia, the CCP is committed to developing Filipino artists and promoting them, not only in the Philippines, but also to the world. Also part of its plans is to develop the CCP complex to be an architectural landmark. A mixed-use complex is planned with commercial areas that will generate revenues that can be used to fund artistic pursuits.

CCP also has a mission of developing the audience for cultural presentations. It plans to accomplish this by educating the youth about the richness of Philippine culture and embarking on a nationwide marketing campaign to promote its programs.

### Budgeting System

Ms. Jamie Soliven, budget division head, described CCP's budgeting system:

"During November, our division starts the budgeting process by preparing the budgets for each division. But before this, we attend a planning meeting that is participated in by the president, vice president, and all assistant vice presidents.

For personal services, it is very easy because we have a freeze-hiring order, we just base the amount on the existing plantilla. But for some mandatory expenses like janitorial, security, and ushering services, and other fees paid to service providers, we refer to the contracts when budgeting for these expenses. For repairs and maintenance, we add 10 percent to last year's figures to incorporate inflation and other factors. For the other operating expenses, we base the budget on last year's actual expenses. For instance, we use the amounts of last year's actual expenses when budgeting for traveling expenses, auditing, and representation expenses.

For the income, we usually use the previous year's figures plus a certain percentage, except for rental because we base the amounts on contracts. The Folk Arts Theater people, however, submit their revenue-generating projects.

We then submit the budgets to the finance committee which is composed of the president, vice president, and assistant vice president for finance. We explain to them how the figures were arrived at and oftentimes, they would reduce the budgets for expenses.

In the past, however, the assistant vice president for Finance usually starts the budgeting process by sending a memo



by a budget form, to all division heads (Exhibits 3 and 4). This usually occurs in September. The division heads then submit their budgets to us, the Budget Division, for consolidation. After the budgets are consolidated, the consolidated budget, together with the divisional budgets, is submitted to the finance committee. This committee then tries to trim off some of the 'fat' in the budgets depending on what they think is reasonable. This is almost automatic because we have observed that our heads usually bloat their expense budgets. Anyway, after we make the necessary revisions, the final budgets are submitted to the management committee (ManCom) for final approval.

Again, we changed the process because in the end, we are the ones, of course, together with some officers, who come up with the working budget. Plus, we found out that some of our people are complaining about the process."

### Control System

Ms. Soliven, also described CCP's system for control:

"After ManCom gives its approval, the budgets are given to the division heads to serve as their guide during the year. We give them variance reports every quarter to remind them about their budget ceilings. If they incur more than what was provided for in the budget, they have to justify it to the finance committee.

Their ability to keep their costs within what was budgeted is considered when top management evaluates their performance during the year. This applies to all division heads."

### Study Questions

- 1) What are the goals and objectives of CCP that were evident in the case? What are its other possible goals and objectives?
- 2) What are the strengths/ opportunities, and weaknesses/threats faced by CCP?
- 3) Evaluate the current and past budgeting systems used by CCP

Exhibit 1  
Description and Rental Rates of Four Theaters in the CCP Complex

	Tanghalang Nicanor Abelardo (Main Theater)	Tanghalang Aurelio V. Tolentino (Little Theater)	Tanghalang Huseng Batute (Studio Theater)	Tanghalang Francisco Balagtas (Folk Arts Theater)
Designed for	Dance and music performances	Drama, chamber and solo music recitals, lecture-demonstrations and film screenings	Unconventional and avant-garde productions	Arena-type events can also be staged
Seating capacity	1,853	421	260	8,558
Rental rates				
Regular complement <sup>2</sup>				
Tuesdays - Thursdays	30,500.00	13,000.00		80,000.00 <sup>1</sup>
Fridays - Mondays/Holidays	36,000.00	14,000.00		100,000.00*
Political Rally				120,000.00*
Additional 1-hr on-stage rehearsals				
Tuesdays - Thursdays	3,900.00	1,650.00		6,250.00*
Fridays - Mondays/Holidays Additional 50% after 10:00 PM	4,600.00	1,750.00		9,000.00*
Ushering charges				12,000.00*
Additional 1-hr set-up				
Tuesdays - Thursdays	1,950.00	850.00		

<sup>1</sup> Basic fee for one performance (maximum of 3 hours). Inclusive of ushering services with one 8-hour set-up/cenery fit/rehearsals.

<sup>2</sup> For "non-revenue" activities only. Rental for performances of foreign artists is P150,000.00 for Mondays-Thursdays performances and P180,000.00 for Fridays-Sundays and Holidays. For local artists, the rate is P100,000.00 regardless of the day. For both local and foreign artists, CCP gets an additional 15 percent of gross ticket sales.